



Title: I, Payroll/Personnel Manual

Chapter: 28, Section 2, Tax Formulas (TAXES)

Bulletin: TAXES, 09–29, Hawaii State Income Tax Withholding

Date: June 29, 2009

To: Holders of TAXES (State of Hawaii only)
Personnel User Groups
T & A Contact Points in Hawaii

Beginning with wages paid for Pay Period 15, the National Finance Center (NFC) will make the following changes to the state of Hawaii State income tax withholdings:

- The Single, Head of Household, and Married tables will change.

No action on the part of the employee or the personnel office is necessary.

To view the updated tax formula, go to the NFC's Home Page (www.nfc.usda.gov) and click the **Publications** tab. Then on the right-hand Quick Picks menu, click **Tax Formulas** and select the appropriate state from the map provided. Changes to the tax formula are identified by "►◄".

For questions about NFC processing, contact the Payroll/Personnel Call Center at **504–255–4630**.

JOHN S. WHITE, Acting Director
Government Employees Services Division

Hawaii State Income Tax Information

State Abbreviation:	HI
State Tax Withholding State Code:	15
Acceptable Exemption Form:	HW-4
Basis For Withholding:	State Exemptions
Acceptable Exemption Data:	S, M, H / Number of Exemptions
TSP Deferred:	Yes
Special Coding:	None
Additional Information:	None

Withholding Formula ►(Effective Pay Period 15, 2009)◄

1. Subtract the nontaxable biweekly Thrift Savings Plan contribution from the gross biweekly wages.
2. Subtract the nontaxable biweekly Federal Health Benefits Plan payment(s) (includes dental and vision insurance program, and flexible spending account – health care and dependent care deductions) from the adjusted gross biweekly wages.
3. Add taxable fringe benefits (taxable life insurance, etc.) to the adjusted gross biweekly wages.
4. Multiply the adjusted gross biweekly wages times 26 to obtain the annual wages.
5. Determine the exemption allowance by applying the following guideline and subtract this amount from the annual wages to obtain the taxable income.

Exemption Allowance = \$1,040 x Number of Exemptions

6. Apply the taxable income determined in step 5 to the following table to determine the Hawaii tax withholding.

Tax Withholding Table Single or Head of Household

If the Amount of Taxable Income Is:		The Amount of Hawaii Tax Withholding Should Be:		
Over:	But Not Over:			Of Excess Over:
\$ 0	\$ 2,400	\$ 0 plus	1.40%	\$ 0
2,400	4,800	34 plus	3.20%	2,400
4,800	9,600	110 plus	5.50%	4,800
9,600	14,400	374 plus	6.40%	9,600
14,400	19,200	682 plus	6.80%	14,400
19,200	24,000	1,008 plus	7.20%	19,200
24,000	►36,000	1,354 plus	7.60%	24,000
36,000	and over	2,266 plus	7.90%	36,000◄

Married

If the Amount of Taxable Income Is:		The Amount of Hawaii Tax Withholding Should Be:				Of Excess
Over:	But Not Over:					Over:
\$ 0	\$ 4,800	\$ 0	plus	1.40%		\$ 0
4,800	9,600	67	plus	3.20%		4,800
9,600	19,200	221	plus	5.50%		9,600
19,200	28,800	749	plus	6.40%		19,200
28,800	38,400	1,363	plus	6.80%		28,800
38,400	48,000	2,016	plus	7.20%		38,400
48,000	72,000	2,707	plus	7.60%		48,000
72,000	and over	4,531	plus	7.90%		72,000

7. Divide the annual Hawaii tax withholding by 26 to obtain the biweekly Hawaii tax withholding.